

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE ADJUSTMENT OF RATES OF)	
AUXIER ROAD GAS COMPANY)	CASE NO. 10288-P

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On October 4, 1994, Auxier filed its GCA to be effective October 1, 1994 to January 1, 1995.

After reviewing the record and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice proposed revised rates designed to pass on to its customers the expected decreased gas costs from its suppliers. Auxier's EGC for the quarter beginning October 1, 1994 should be \$2.6316 per Mcf.

2. Auxier's notice set out no refund adjustment.

3. Auxier's notice set out a current quarter actual adjustment ("AA") of (8.66) cents per Mcf to return over-recovered gas cost from April, May, and June 1994. Auxier's proposed total AA was corrected to subtract the current AA instead of adding it. The correct total AA of (31.57) cents per Mcf is designed to reflect the current over-collection, as well as under- and over-recoveries from previous periods.

4. Auxier's notice set out no current quarter balancing adjustment ("BA"). The total BA of (4.5) cents per Mcf is from a previous AA over-recovery.

5. These adjustments produce a gas cost recovery rate of \$2.2709 per Mcf, 70.19 cents per Mcf less than the prior rate.

6. The revised rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are hereby denied.


2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after the date of this Order.

3. Within 30 days of the date of this Order, Auxier shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 4th day of November, 1994.

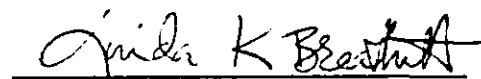
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

ATTEST:


Executive Director


Commissioner

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-P DATED November 4, 1994.

The following rates and charges are prescribed for the customers in the area served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf (Minimum Bill)	\$5.11	\$2.2709	\$7.3809
All Over 1 Mcf Per Mcf	4.2599	2.2709	6.5308